



The Rebuilding Agricultural Markets Program (RAMP) Strategy

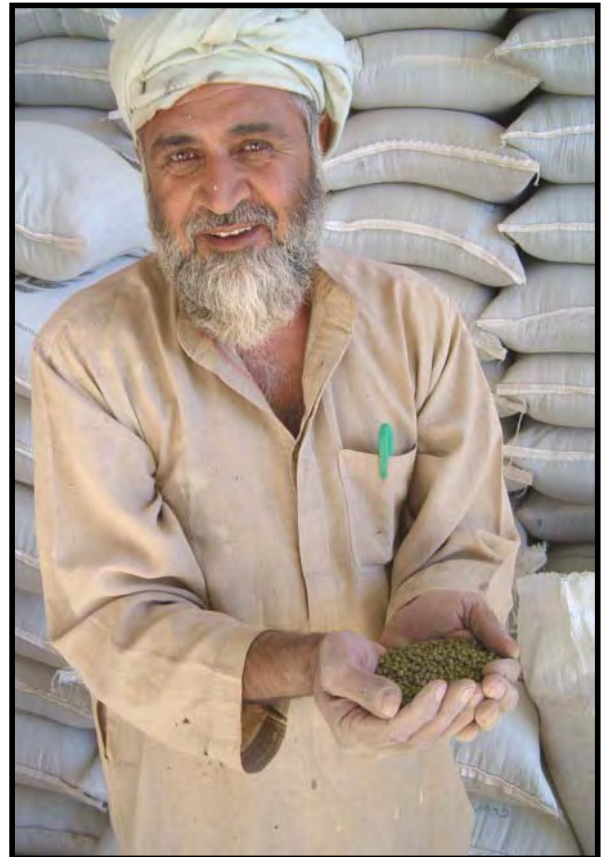
Agriculture is Afghanistan's largest and most important economic sector. Once a vibrant source of food and export income, Afghanistan's agricultural economy has been devastated by over 20 years of war and 5 years of drought. Livestock herds have diminished by as much as 80%, orchards were uprooted for fuel and families were unable to feed themselves or purchase food with wages of less than US\$1 a day.

The US Agency for International Development (USAID) is meeting the challenge to rebuild the agricultural sector in Afghanistan through the Rebuilding Agricultural Markets Program (RAMP) and the primary contractor, Chemonics International. Since July 2003, this three year program is improving the lives of Afghans by increasing food supplies, creating jobs, increasing incomes and strengthening the competitiveness of Afghan's agricultural products. RAMP projects are implemented in cooperation with the Afghanistan Ministry of Agriculture and Food, the US Department of Agriculture and the Provincial Reconstruction Teams (PRTs).

RAMP Objectives

The RAMP project will increase the marketable value of agricultural products sold in local, regional and international markets by \$250 million by the end of crop year 2006. Intermediate results that will contribute to the accomplishment of this objective are increased sales in the following:

- ***\$100 million in fresh and dried fruit;***
- ***\$20 million in fresh and dried vegetables;***
- ***\$50 million in nuts;***
- ***\$50 million in livestock and poultry;***
- ***\$30 million in wheat and food grains.***



Displaying mung bean production in Kandahar

Produce What Will Sell

A market-driven, value chain approach emphasizes the importance of strengthening all the processes from input supply, through production, post-harvest handling -- storage, transportation and processing -- and marketing to increase sales of agricultural products. The following criteria guide the design and implementation of RAMP/Chemonics interventions:

- **Concentrate on five principal, higher return product lines;**
- **Focus geographically in 13 provinces;**
- **Integrate infrastructure rehabilitation, financial services, agricultural technology and market development components;**
- **Work collaboratively with other USAID contractors and grantees, key ministries of the Government of Afghanistan, and companion activities funded by other donors.**

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The Market-Driven, Value Chain Approach



RAMP implements the market driven, value chain approach by:

- Defining market needs and communicating them to intermediaries – processors, transporters, and warehouse operators – and producers
- Identifying opportunities to create new marketing arrangements between buyers and producers
- Increasing the access producers, processors, wholesalers, retailers, and exporters have to financial resources
- Introducing new, innovative technologies to increase production and make processing and marketing enterprises more efficient and competitive
- Rehabilitating and repairing critical infrastructure needed to increase production and make marketing more efficient
- Making the regulatory and legal environment more supportive of agricultural sector development



Wheat market in Kunduz

Focused Product Line

RAMP resource allocation targets only those products that have the greatest potential for expansion, increased incomes, employment generation, and the potential for promoting export trade. The selection of high-value products increases private sector participation, marketing activities and agribusiness capabilities, which in turn provide increased incomes and employment opportunities for many people through both backward and forward linkages. Based on preliminary market assessments conducted in rural Afghanistan and analysis by economic experts, the RAMP team focuses on:

- **fresh and dried fruit – grapes and raisins, fresh and dried apricots, and pomegranates**
- **fresh and dried vegetables – potatoes, onions, melons, tomatoes, okra and eggplant**
- **nuts – almonds, walnuts, and wild pistachio**
- **livestock and poultry**
- **wheat and food grains**

Geographic Parameters

Project interventions focus the bulk of their efforts in five priority regions, encompassing 13 provinces. The criteria for this selection process included: population density to achieve maximum impact; high potential agriculture production; the presence of regional market centers; and the potential availability of transport links to major domestic and export markets. The selected regions are set forth in Table 1, below.

Table 1: Priority Regions

Initial Priority Regions for Chemonics/RAMP Contract	Population ¹	% Total
1. Parwan, Kabul, Kapisa	4,030,215	19.6%
2. Ghazni, Wardak, Logar	2,602,969	12.6%
3. Nangarhar, Laghman, Kunar	1,809,962	8.8%
4. Kandahar, Helmand	1,607,231	7.8%
5. Kunduz, Baghlan	1,573,349	7.6%
Priority Regions Total:	11,623,726	56.4%

Integrating Activities for Enhanced Results

There are three major components to the overall implementation of RAMP:

- **Physical Infrastructure Reconstruction or Repair**
- **Financial Services**
- **Agricultural Technology and Market Development**



Farm to market roads



Financial services



Agricultural technology and extension

A value chain is only as effective as its weakest component. RAMP intervenes at multiple points along selected value chains to:

- **improve critical infrastructure – farm-to-market roads, irrigation systems, and market centers**
- **increase the flow of capital**
- **introduce improved technology and extension services to help producers become more efficient**
- **identify market opportunities and build market systems to take advantage of them**

To increase the marketable value of fresh produce in target regions, RAMP is repairing roads and irrigation systems, constructing market centers, establishing cold storage facilities, making refrigerated transportation available, and providing operators all along the chain with information about the specifications of the specific product(s) the market wants.

Cooperating with Other USAID Contractors and Grantees, Government Ministries and Other Donors

The challenges Afghanistan's rural population faces are enormous. To address problems resulting from nearly three decades of conflict, intermittent drought, and economic mismanagement, the country needs broad support from the international donor community. To best meet the needs and serve the interests of the Afghan people, it is important that donors' interventions are complementary, timely and not duplicative.

The RAMP team works closely to identify other USAID- and donor-funded activities with which it can collaborate and strive to channel scarce resources so that their impacts are complementary. In addition, the team collaborates with key ministries, including the Ministries of Agriculture and Food, Irrigation, Rural Development, and Commerce, as well as provincial and district authorities. An important part of the team's diagnostic work will be to identify other activities intervening along the priority value chains it has targeted for development. This will result in the leveraging of other donors' support and will serve to accelerate rural sector growth and well-being in Afghanistan.



Inspecting a project with the Afghanistan Deputy Minister of Irrigation

Measuring Project Results

In addition to increasing sales of agricultural products by \$250 million by the end of crop year 2006, the project will have generated the following intermediate-level outputs:

Summary of Project Targets

Indicator		June 30th 2006 Target
Infrastructure		
Km. of canal rehabilitated		750
Irrigation structures rehabilitated		300
Hectares receiving improved irrigation		370,000
Km. of farm to market roads rehabilitated		900
Financial Services		
Micro Loans disbursed		15,000
Agricultural Technology and Market Development		
Chickens distributed to village women		200,000
Women training in poultry mgmt		25,000
Farmers served by extension		1,500,000
Livestock vaccinated/treated		12,000,000

Guiding Principles

- **Focus on the primary RAMP target** of increasing the value of marketable commodities. RAMP Implementing Partner ICARDA is teaching Afghan farmers to produce vegetables in the off-season to be more competitive in local markets.
- **Produce what will sell.** In Shomali Plains, RAMP is helping farmers grow quality grapes of varieties demanded by export markets.
- **Address problems along the value chain.** Irrigation projects in Baghlan have provided a reliable source of water and stimulated farmers to produce higher value crops such as vegetables.
- **Build trust among value chain participants.** RAMP works closely with traders in Pakistan and India as well as Afghanistan producer organizations of fresh and dried fruits and nuts to catalyze export-led growth.
- **Integrate activities for maximum impact.** Within its target regions, RAMP integrates irrigation, roads, agricultural production, market support facilities and rural financial services to enable maximum results.
- **Reform policy to support marketable output.** RAMP is building the Ministry's capacity to produce agricultural extension materials for farmers that will help increase yields and reduce spoilage.
- **Nurture the formation and expansion of commodity clusters by widely communicating individual success.** A successful pilot project to export grapes has generated higher incomes for farmers and expanded interest from international buyers.
- **Coordinate with other projects and donors.** RAMP is co-investing with other private investors, in the Afghanistan Renewal Fund, a \$20 million equity fund to provide capital to small- and medium-sized agribusiness.



RAMP agribusiness advisor working with Kabul traders



Sanitary dried apricot production in Kandahar